



Washington, D. C. 2050S



DIRECTORATE OF INTELLIGENCE

17 September 1984

ISRAEL: Alternative Economic Policies

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Summary

we ran five scenarios to measure the impact of various policies on Israel's economic performance. Constraining domestic demand would improve the civilian goods and services deficit compared with current trends, but the deficit would still be at least \$1.3 billion more in 1987 than last year's \$4.0 billion. The cost would be higher unemployment--reaching 9.2 percent in 1987 in one scenario -- and slower economic growth.

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Baseline Scenario. Our baseline forecast assumes the continuation of current economic trends. Private consumption, fueled by real wage increases of 4 percent a year, would continue to grow at high rates, helping to produce GNP growth averaging 3 percent a year. Total government consumption is assumed to increase by an average of almost 4 percent a year, with most of the increase coming from military spending. The economies of Israel's major trading partners are assumed to grow at an average annual rate of 2.8 percent.

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Scenario 1. In this scenario, we assumed real wages decline 5 percent in 1985 and 1986, and remain constant in 1987. Private consumption falls by almost one percentage point compared with the baseline, causing GNP growth to decrease by 0.4 percentage

This memorandum was prepared of the Israel/Palestinian Branch, Arab-Israeli Division, Office of Near Eastern and South Asian Analysis. It was requested by Russell Misheloff, Deputy Director, Office of Middle East and European Affairs. Information as of 17 September 1984 was used in its preparation. Questions and comments should be directed to Chief Arab-Israeli Division, 25X1

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point, and increasing the unemployment rate to 8.9 percent, 0.4 percentage points above the baseline. The civilian goods and services deficit improves by \$600 million in 1986 and by \$300 million in 1987. The decrease in private consumption would be even more pronounced if the decline in disposable income was not countered by the decline in taxes paid on wages and National Insurance.

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Scenarios 2 and 3. We decreased domestic military and nonmilitary spending; in Scenario 2 we assumed a slow decrease of 2 percent a year in 1985-87, and in Scenario 3, a one-time large decrease of 7.5 percent in 1985, and no growth in 1986 and 1987. Economic growth falls from an average of 3.1 percent in the baseline to 2.5 percent with a slow decline in domestic spending and to 2.3 percent with a sharp decline. The unemployment rate is 0.4 and almost 0.7 percentage points higher with a slow decline and a sharp decline, respectively. In both cases, the civilian goods and services deficit improves by about \$300 million by 1987.

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Scenario 4. Bank of Israel credit to the private sector was held constant in real terms in 1985-87; in the baseline, the growth in credit is equal to real economic growth. The impact in this scenario is minimal. Private consumption growth is 0.1 percentage points lower, and economic growth and unemployment rate are almost unchanged. The civilian goods and services deficit improves by only \$30 million by 1987.

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Scenario 5. The value-added tax was increased by 5 percentage points from 1985 to 1987. Under this scenario, both consumption and investment decline-consumption by 0.6 percentage points and investment by over one percentage point. GNP growth is 0.4 percentage point lower compared with the baseline, and unemployment rises to 8.8 percent. The civilian goods and services deficit improves by \$200 million by 1987.

SUBJECT: ISRAEL: Alternative Economic Policies NESA M#84-10265
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SCENARIO 5: INCREASE IN VAT TAX BY 5 PERC. POINTS 85-87 9/17/84

ISRAEL ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987	
*** COVEDNMENT VADIABLES			(BILL	IONS OF 1980	SHEKELS)	
*** GOVERNMENT VARIABLES DOMESTIC NONMILITARY EXPEND, PERCENT CHANGE DOMESTIC MULITARY EXPEND	12.84 0.78	13.22 3.00	13.35 1.00	13.49 1.00	13.62	
PERCENT CHANGE GOVT RESIDENTIAL INVEST.	6.94 1.68	3.00 1.65	2.00 1.49	1.00	1.00	
PERCENT CHANGE DOMESTIC MILITARY EXPEND. PERCENT CHANGE GOVT RESIDENTIAL INVEST. PERCENT CHANGE GOVT NONRESIDENTIAL INVEST. PERCENT CHANGE	4.48 8.01	4.48 0.00	4.26 -5.00	-5.00 4.17 -2.00	4.09 -2.00	
			(BILL	IONS OF 1980	SHEKELS)	
NET TRANSFERS TO PRIVATE SECT. PERCENT CHANGE	20.44	20.44	20.44	20.44	20.44	
NET CREDIT ABSORP, BY GOVT PERCENT CHANGE	-25.60	-20.00 -21.89	-10.00 -50.00	-5.00 -50.00	5.00	
PUBLIC SECTOR WAGES PERCENT CHANGE	22.24	23.13	24.06 4.00	25.02 4.00	26.02 4.00	
PERCENT CHANGE NET CREDIT ABSORP. BY GOVT PERCENT CHANGE PUBLIC SECTOR WAGES PLRCENT CHANGE BOT CREDIT TO PRIVATE SECTOR PERCENT CHANGE	6.54	6.70 2.42	6.91 3.09	7.10 2.70	7.26 2.35	
					(PERCENT)	
*** TAX RATES DEFENSE IMPORT TAXES INVENTORY SURTAX BUSINESS INCOME TAX DOMESTIC PROD. TAX (INCL. VAT) IMPORT TAX NATIONAL INSURANCE TAX WAGE TAX TAXES ON OTHER INCOME	0.20 -0.01 0.06	0.20 -0.29 0.06	0.20 0.12 0.06	0.20 0.19 0.06	0.20 0.20 0.06	
DOMESTIC PROD. TAX (INCL. VAT) IMPORT TAX	0.19 0.20	0.19 0.20	0.24 0.20	0.24	$0.24 \\ 0.20$	
NATIONAL INSURANCE TAX WAGE TAX	0.13 0.14	0.13 0.14	0.13 0.14	0.13 0.14	0.13 0.14	
				LDUDGEN	T CHANCE	
*** BALANCE OF PAYMENTS		3 00	3 00	2 00	2 50	
DOLLAR PRICE OF IMPORTS DOLLAR PRICE OF OIL	-2.18 -13 77	3.87	4.85 0.00	4.28	7.17 5.20	
*** BALANCE OF PAYMENTS REAL GROWTH IN US AND EC DOLLAR PRICE OF IMPORTS DOLLAR PRICE OF OIL WORLD INTEREST RATE EXCHANGE RATE (LEVEL)	9.20 56.21	8.80 228.46	9.10 1088.87	8.60 5805.33	8.60 33261.82	
			(BILLIONS OF US DOLLARS)			
FOREIGN DEBT REPAYMENTS DIRECT DEFENSE IMPORT PAYMENTS DIRECT DEFENSE IMPORTS NET FOREIGN BORROWING BY GOVT. TOTAL GROSS CAP FLOW (NOT FMS) US ECONOMIC ASSISTANCE US FMS	0.97 1.27 1.03	1.25 2.26 1.76	1.45 2.18 1.85	1.70 2.07 2.52	1.82 2.14 2.89	
NET FOREIGN BORROWING BY GOVT. TOTAL GROSS CAP FLOW (NOT FMS)	2.23 3.24	2.17 5.68	2.05 6.24	2.72 6.79	3.03 7.36	
US ECONOMIC ASSISTANCE US FMS	1.50 1.00	1.10	1.10 1.40	1.10 1.40	1.10 1.40	

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SCENARIO 5: INCREASE IN VALUAX BY 5 PERC. POINTS 85-87 9/17/84

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DETAILED COMPONENTS OF REAL GNP

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			(BILLIONS	S OF 1980	SHEKELS)
	1983	1984	1985	1986	1987
PRIVATE CONSUMPTION	80.35	83.80	89.22	94.26	98.52
PERCENT CHANGE	7.05	4.30	6.46	5.65	4.52
TOTAL INVESTMENT	27.36	26.60	25.46	23.68	21.61
PERCENT CHANGE	5.92	-2.79	-4.27	-7.02	-8.72
COMPONENTS OF INVESTMENT					
PRIVATE NONRESIDENTIAL	14.58	13.58	12.94	11.32	9.40
PERCENT CHANGE	21.78	-6.88	-4.71	-12.50	-16.95
PRIVATE RESIDENTIAL	6.98	6.40	6.28	6.33	6.36
PERCENT CHANGE	-4.56	-8.30	-1.98	0.86	0.48
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00
PRIVATE INVENTORY	-0.83	-0.02	0.05	0.03	0.03
PERCENT CHANGE	1791.33	-97.58	-350.00	-40.00	0.00
GOVERNMENT NONRESIDENTIAL	4.48	4.48	4.26	4.17	4.09 -2.00
PERCENT CHANGE	8.01	0.00	-5.00 1.49	-2.00 1.41	1.34
GOVERNMENT RESIDENTIAL	1.68	1.65	-10.00	-5.00	-5.00
PERCENT CHANGE	-21.56	-2.00	-10.00	-5.00	-9.00
GOVERNMENT CONSUMPTION	35.38	39.77	40.30	43.44	44.58
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62
COMPONENTS OF GOVERNMENT CONSUM					
DOMESTIC NONMILITARY	12.84	13.22	13.35	13.49	13.62
PERCENT CHANGE	0.78	3.00	1.00	1.00	1.00
TOTAL MILITARY	22.56	26.54	26.95	29.95	30.96
PERCENT CHANGE	-6.75	17.64	1.53	11.14	3.35
FOREIGN MILITARY	5.73	9.19	9.23	12.05	12.87
PERCENT CHANGE	-33.54	60.44	0.52	30.53	6.80 18.59
DOMESTIC MILITARY	17.35	17.87	18.23	18.41	1,00
PERCENT CHANGE	6.94 0.51	3.00 0.51	2,00 0.51	1.00 0.51	0.51
DEFENSE SALES PERCENT CHANGE	-20.31	0.00	0.00	0.00	0.00
. PERGENT CHANGE	-20.31	0.00	0.00	0.00	0.00
COMPON	ENIS OF FORE	IGN TRADE	SECTOR		
EXPORTS	51.38	54.12	56.62	58.43	61.36
PERCENT CHANGE	2.24	5.32	4.62	3.20	5.02
IMPORTS	80.98	88.51	92.25	97.15	100.74
PERCENT CHANGE	5.65	9.30	4.23	5.31	3.70
COMPONENTS OF IMPORTS					70.10
CIVILIAN IMPORTS	62.02	65.79	68.88	71.02	73.43
PERCENT CHANGE	8.62	6.07	4.70	3.11	3.39
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00 7.67	-10.00 10.02	-5.00 10.70
DIRECT DEFENSE IMPORTS	4.76	7.63	0.52	30.53	6.80
PERCENT CHANGE IMPORTS TAXES	-35.66 13.74	60.44 14.58	15.24	15.70	16.22
PERCENT CHANGE	15.80	6.11	4.56	3.00	3.34
NET FACTOR IMPORTS	5.76	5.44	5.61	5.84	5.77
PERCENT CHANGE	12.23	-5.59	3.05	4.13	-1.26
TENOTHT CHANGE	12.23	2.29	3.00	44.13	,,,,

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SCENARIO 5: INCREASE IN VAI TAX BY 5 PERC. POINTS 85-87 9/17/84

ISRAEL
MAIN ECONOMIC INDICATORS, 1983-1987

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	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT	107.73	110.34	113.74	116.82	119.56
PERCENT CHANGE	1.34	2.42	3.09	2.70	2.35
GNP DEFLATOR	12.62	53.28	266.25	1480.25	9089.21
PERCENT CHANGE	150.09	322.14	399.73	455.97	514.03
CAPACITY UTILIZATION RATE	90.88	92.47	94.81	96.95	99.02
UNEMPLOYMENT RATE	4.49	5.96	7.01	7.90	8.84
COMPONENTS OF AGGREGATE DEMAND					
PRIVATE CONSUMPTION	80.35	83.80	89.22	94.26	98.52
PERCENT CHANGE	7.05	4.30	6.46	5.65	4.52
TOTAL INVESTMENT	27.36	26.60	25.46	23.68	21.61
PERCENT CHANGE	5.92	-2.79	-4.27	-7.02	-8.72
GOVERNMENT CONSUMPTION	35.38	39.77	40.30	43.44	44.58
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62
EXPORTS	51.38	54.12	56.62	58.43	61.36
PERCENT CHANGE	2.24	5.32	4.62	3.20	5.02
IMPORTS	80.98	88.51	92.25		100.74
PERCENT CHANGE	5.65		4.23	5.31	
NET FACTOR IMPORTS	5.76	5.44	5.61	5.84	5.77

BALANCE OF PAYMENTS

(BILLIONS OF DOLLARS)

CIVILIAN GOODS AND SERVICES					
EXPORTS	9.95	10.68	11.75	12,73	14.44
OF WHICH: DIAMONDS	1,21	1.39	1.58	1.72	1.99
IMPORTS	13.96	15.22	16.67	17.96	19.87
OF WHICH: FUELS	1.61	1.63	1.67	1.70	1.81
DIAMONDS	0.85	0.98	1.12	1.22	1.42
INTEREST	2.16	2.22	2.42	2.63	2.89
CIVILIAN GOODS AND SERVICES					
DEFICIT	-4.01	-4.54	-4.93	- 5.23	-5.43
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
US FINANCED PAYMENTS	1.00	1.63	1.40	1.40	1.40
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74
DEBT REPAYMENT	0.97	1.25	1.45	1.70	1.82
TOTAL DEBT	23.12	25.99	28.35		
FINANCIAL GAP	-5.26	-6.42	-7.15		
EXTERNAL FUND	3,24	5.68	6.24	6.79	
OF WHICH US SSA	1.50	1.10	1.10	1.10	1.10
BALANCE	-0.47	-0.74	-0.92	-0.81	-0.64

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SCINARIO 4: NO INCREASE IN REAL BOI CREDIT TO PRIV. SECTOR 85-87 9/11/84

ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987
*** GOVERNMENT VARIABLES			(BILL	IONS OF 1980	SHEKELS)
	12.84	13.22	13.35	13.49	13.62
PERCENT CHANGE	0.78	3.00	1.00	1.00	1.00
DOMESTIC MILITARY EXPEND.	17.35	17.87	18.23	18.41	18.59
PERCENT CHANGE GOVI RESIDENTIAL INVEST.	6.94	3.00	2.00	1.00	1.00
PERCENT CHANGE	1.68 - 21.56	1.65 -2.00	1.49 -10.00	1.41 -5.00	1.34 -5.00
GOVT NONRESIDENTIAL INVEST.	4.48	4.48	4.26	4.17	4.09
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00
			(BILL	IONS OF 1980	SHEKELS)
NET TRANSFERS TO PRIVATE SECT.	20.44	20.44	20.44	20.44	20,44
PERCENT CHANGE		0.00	0.00	0.00	0.00
	-25.60	-20.00	-10.00	- 5.00	5.00
PERCENT CHANGE	00.01	-21.89	-50.00	-50.00	-200.00
PUBLIC SECTOR WAGES PERCENT CHANGE	22.24	23.13 4.00	24.06 4.00	25.02 4.00	26.02 4.00
BOI CREDIT TO PRIVATE SECTOR	6 Eh	6.54	6.54		6.54
PERCENT CHANGE	0.54	0.00	0.00		0.00
WWW. TAV. DATES					(PERCENT)
*** TAX RATES DEFENSE IMPORT TAXES	0.20	0.20	0.20	0.20	0.20
INVENTORY SURTAX	-0.01	-0.29	0.12	0.20	0.20
BUSINESS INCOME TAX	0.06	0.06	0.06	0.06	0.06
DOMESTIC PROD. TAX (INCL. VAT)	0.19	0.19	0.19	0.19	0.19
IMPORT TAX	0.20	0.20	0.20	0.20	0.20
NATIONAL INSURANCE TAX	0.13	0.13	0.13	0.13	0.13
WAGE TAX	0.14	0.14	0.14	0.14	0.14
TAXES ON OTHER INCOME	0.13	0.13	0.13	0.13	0.13
*** BALANCE OF PAYMENTS				(PERCEN	T CHANGE)
REAL GROWTH IN US AND EC	-2.18	3.90	3.00	2.00	3.50
DOLLAR PRICE OF IMPORTS	-2.18	3.87	4.85	4.28	7.17
DOLLAR PRICE OF OIL	-13.77	0.00	0.00	0.00	5.20
WORLD INTEREST RATE	9.20	8.80	9.10	8.60	8.60
EXCHANGE RATE (LEVEL)	56.21	228.29	1086.73	5719.00	31833.98
			(BI	LLIONS OF US	DOLLARS)
FOREIGN DEBT REPAYMENTS	0.97	1.25	1.45	1.70	1.82
DIRECT DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
NET FOREIGN BORROWING BY GOVT.	2.23	2.17	2.05	2.72	3.03
TOTAL GROSS CAP FLOW (NOT FMS)	3.24	5.68	6.24	6.79	7.36
US ECONOMIC ASSISTANCE US FMS	1.50 1.00	1.10 1.63	1.10 1.40	1.10 1.40	1.10 1.40
03 193	1.00	1.03	1.40	1.40	1.40

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SCENARIO 4: NO INCREASE IN REAL BOI CREDIT TO PRIV. SECTOR 85-87 9/17/84

DETAILED COMPONENTS OF REAL GNP

(BILLIONS OF 1980 SHEKELS)

	1983	1984	1985	1986	1987
PRIVATE CONSUMPTION	80.35	83.79	90.10	95.96	99.93
PERCENT CHANGE	7.05	4.29	7.54	6.50	4.14
TOTAL INVESTMENT	27.36	26.60	25.68	24.31	22.42
PERCENT CHANGE	5.92	- 2.79	-3.46	-5.34	-7.76
COMPONENTS OF INVESTMENT					
PRIVATE NONRESIDENTIAL	14.58	13.58	13.10	11.76	10.00
PERCENT CHANGE	21.78	-6.84	-3.60	-10.16	-14.97
PRIVATE RESIDENTIAL	6.98	6.40	6.34	6.52	6.57 0.74
PERCENT CHANGE SHIPS AND PLANES	-4.56 0.46	-8.38 0.51	-0.95 0.46	2.93 0.41	0.74
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00
PRIVATE INVENTORY	-0.83	-0.02	0.05	0.03	0.03
PERCENT CHANGE	1791.33	-97.58	-350.00	-40.00	0.00
GOVERNMENT NONRESIDENTIAL	4.48	4.48	4.26	4.17	4.09
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00
GOVERNMENT RESIDENTIAL	1.68	1.65	1.49	1.41	1.34
PERCENT CHANGE	-21.56	-2.00	-10.00	-5.00	-5.00
				,	
GOVERNMENT CONSUMPTION	35.38	39.77	40.30	43.44	44.58
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62
COMPONENTS OF GOVERNMENT CONSUM					
DOMESTIC NONMILITARY	12.84	13.22	13.35	13.49	13.62
PERCENT CHANGE	0.78	3.00	1.00	1.00	1.00
TOTAL MILITARY	22.56	26.54	26.95	29.95	30.96
PERCENT CHANGE	-6.75	17.64	1.53	11.14	3.35
FOREIGN MILITARY	5.73	9.19	9.23	12.05	12.87
PERCENT CHANGE	-33.54	60.44	0.52	30.53	6.80
DOMESTIC MILITARY	17.35 6.94	17.87 3.00	18.23	18.41 1.00	18.59 1.00
PERCENT CHANGE DEFENSE SALES	0.51	0.51	2.00 0.51	0.51	0.51
PERCENT CHANGE	-20.31	0.00	0.00	0.00	0.00
PERCENT CHANGE	-20.31	0.00	0.00	0.00	0.00
COMPONE	NIS OF FORE	IGN TRADE	SECTOR		
EXPORTS	51.38	54.12	56.63	58.50	61.49
PERCENT CHANGE	2.24	5.32	4.65	3.29	5.12
IMPORTS	80.98	88.50	92.94	98.51	101.93
PERCENT CHANGE	5.65	9.29	5.01	6.00	3.47
COMPONENTS OF IMPORTS	,,,,	,,,,,			
CIVILIAN IMPORTS	62.02	65.78	69.44	72.14	74.40
PERCENT CHANGE	8.62	6.06	5.56	3.88	3.14
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5 .00
DIRECT DEFENSE IMPORTS	4.76	7.63	7.67	10.02	10.70
PERCENT CHANGE	-35.66	60.44	0.52	30.53	6.80
IMPORTS TAXES	13.74	14.58	15.37	15.95	16.44
PERCENT CHANGE	15.80	6.11	5.42	3.78	3.09
NET FACTOR IMPORTS	5.76	5.44	5.61	5.83	5.73
PERCENT CHANGE	12.23	-5.60	3.04	3.92	-1.61

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SCENARIO 4: NO INCREASE IN REAL BOI CREDIT TO PRIV. SECTOR 85-87 9/11/84

ISRAEL MAIN ECONOMIC INDICATORS, 1983-1987

(BILLIONS OF 1980 SHEKELS)

	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT	107.73	110.33	114.18	117.87	120.76
PERCENT CHANGE	1.34	2.41	3.49	3.23	2.46
GNP DEFLATOR	12.62	53.24	265.72	1458.24	8699.04
PERCENT CHANGE	150.09	321.82	399.12	448.78	496.55
CAPACITY UTILIZATION RATE	90.88	92.46	95,17	97.79	99.92
UNEMPLOYMENT RATE	4.49	5.96	6.97	7.73	8.54
COMPONENTS OF AGGREGATE DEMAND PRIVATE CONSUMPTION	80.35	83.79	90.10	95.96	99.93
PERCENT CHANGE TOTAL INVESTMENT	7.05	4.29	7.54	6.50	4.14
PERCENT CHANGE	27.36	26.60	25.68	24.31	22.42
	5.92	- 2.79	-3.46	-5.34	-7.76
GOVERNMENT CONSUMPTION PERCENT CHANGE	35.38	39.77	40.30	43.44	44.58
EXPORTS	-4.24	12.39	1.35	7.78	2.62
PERCENT CHANGE	51.38 2.24	54.12	56.63	58.50	61.49
IMPORTS		5.32	4.65	3.29	5.12
PERCENT CHANGE	80.98	88.50	92.94	98.51	101.93
NET FACTOR IMPORTS	5.65 5.76	9.29 5.44	5.01 5.61	6.00 5.83	3.47 5.73
HET TACTOR PAPORTS	5.70	9.44	9.01	9.83	5.13

BALANCE OF PAYMENTS

(BILLIONS OF DOLLARS)

			•		
CIVILIAN GOODS AND SERVICES					
EXPORTS	9.95	10.68	11.75	12.75	14.50
OF WHICH: DIAMONDS	1.21	1.39	1.58	1.72	2.00
IMPORTS	13.96	15.22	16.79	18.20	20.10
OF WHICH: FUELS	1.61	1.63	1.67	1.71	1.83
DIAMONDS	0.85	0.98	1.12	1.23	1.43
INTEREST	2.16	2.22	2.42	2.63	2.89
CIVILIAN GOODS AND SERVICES					
DEFICIT	-4.01	-4.54	-5.04	-5.45	- 5.59
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
US FINANCED PAYMENTS	1.00	1.63	1.40	1.40	1.40
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74
DEBT REPAYMENT	0.97	1.25	1.45	1.70	1.82
TOTAL DEBT	23.12	25.99	28.35	31.02	34.12
FINANCIAL GAP	- 5.26	-6.42	- 7.26	-7.82	-8.16
EXTERNAL FUND	3.24	5.68	6.24	6.79	7.36
OF WHICH US SSA	1.50	1.10	1.10	1.10	1.10
BALANCE	-0.47	-0.74	-1.03	-1.03	-0.80

DSET: SCEN4 MODEL ISSLP84F

CORFIDENTIAL

ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987
			(BILL	ONS OF 1980	SHEKELS)
*** GOVERNMENT VARIABLES DOMESTIC NONMILITARY EXPEND.	12.84	13,22	12.23	19 93	12.23
PERCENT CHANGE	0.78	13.22 3.00 17.87	-7 50	0.00	0.00
DOMESTIC MILITARY EXPEND.	17.35	17.87	16.53	0.00 16.53 0.00	16.53
PERCENT CHANGE	6.94	3.00	- 7.50	0.00	0.00
GOVI RESIDENTIAL INVEST.	1.68	3.00 1.65 -2.00	1.49	1.41 -5.00	1.34
DEDOCALE CHANGE	1.68 - 21.56	-2.00	-10.00	-5.00	-5.00
GOVI NONRESIDENTIAL INVEST.	4.48	4.48	-10.00 4.26 -5.00	-5.00 4.17	4.09
PERCENT CHANGE	8.01	-2.00 4.48 0.00	-5.00		-2.00
			(BILL	ONS OF 1980	SHEKELS)
NET TRANSFERS TO PRIVATE SECT.	20.44	20.44	20.44	20.44	20.44
PERCENT CHANGE	05.40	0.00	0.00 -10.00 -50.00 24.06	0.00 -5.00 -50.00 25.02 4.00	0.00
NET CREDIT ABSORP, BY GOVT	-25.60	-20.00	-10.00	-5.00	5.00
PERCENT CHANGE PUBLIC SECTOR WAGES	22.24	-21.89	-50.00	-50.00	-200.00
	22.24	23.13	24.06	25.02	26.02
PERCENT CHANGE BOI CREDIT TO PRIVATE SECTOR	6 54	4.00	4.00	7.00	7.19
PERCENT CHANGE	0.74	2.42	2.20	7.02 2.46	2.37
WWW TAV DALED					(PERCENT)
*** TAX RATES DEFENSE IMPORT TAXES	0.20	0.20	0.00	0.00	0.20
INVENTORY SURTAX	0.20	0.20 -0.29	0.20	0.20 0.19	0.20
RUSINESS INCOME LAX	0.06	0.06	0.18	0.19	0.19 0.06
BUSINESS INCOMÉTAX DOMESTIC PROD. TAX (INCL. VAI) IMPORT TAX	0.00	0.00	0.00	0.06 0.19	0.00
IMPORT TAX	0.19	0.19 0.20	0.20	0.20	0.19
NATIONAL INSURANCE TAX	0.13	0.20 0.13 0.14	0.13	0.13	0.13
WAGE TAX	0.14	0.14	0.14	0.14	0.14
TAXES ON OTHER INCOME	0.13	0.13	0.13	0.13	0.13
*** DALANCE OF DAVMENTS				(PERCEN	T CHANGE)
*** BALANCE OF PAYMENTS REAL GROWTH IN US AND EC		3.90	2 00	2.00	2 50
DOLLAR PRICE OF IMPORTS	-2 10	3.87	3.00 4.85	2.00 4.28	3.50 7.17
BOLLAR PRICE OF OIL	-2.10	0.00	9.00	4.20	7.17 5.20
DOLLAR PRICE OF IMPORTS DOLLAR PRICE OF OIL WORLD INTEREST RATE	9 20	0.00 8.80	0.00	0.00	8.60
EXCHANGE RATE (LEVEL)	-2.18 -13.77 9.20 56.21	228.46	0.00 9.10 1120.80	6225.75	37460.31
			(811	LIONS OF US	DOLLARS)
FOREIGN DEBT REPAYMENTS	0.97	1.25	1.45	1.70 2.07 2.52 2.72	1.82
DIRECT DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
FOREIGN DEBT REPAYMENTS DIRECT DEFENSE IMPORT PAYMENTS DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
NET FOREIGN BORROWING BY GOVI.	2,23	2.17	1.85 2.05 6.24 1.10	2.72 6.79	3.03
TOTAL CROSS CAP FLOW (NOT IMS)	3.24	5.68	6.24	6.79	
US ECONOMIC ASSISTANCE	1.03 2.23 3.24 1.50	1.10			1.10
US FMS	1.00	1.63	1.40	1.40	1.40

DSET: SCEN3 MODEL ESSEP841

COMFIDENTIAL

25X1

25X1

MATIONALS

1986

1987

25X1

SCENARIO 3: LARGE DECLINE IN 85 IN DOMESTIC MILITARY AND NON-MILITARY SPENDING 9/17/84

1984

1983

COMPIGENTIAL

ISRAEL DETAILED COMPONENTS OF REAL GNP

(BILLIONS OF 1980 SHEKELS)

1985

PRIVATE CONSUMPTION	80.35	83.80	90.23	96.12	100.70
PERCENT CHANGE	7.05	4.30	7.67	6.52	4.77
TOTAL INVESTMENT	27.36	26.60	24.87	22.56	20.74
PERCENT CHANGE	5.92	-2.79	-6.51	-9.30	-8.05
COMPONENTS OF INVESTMENT					
PRIVATE NONRESIDENTIAL	14.58	13.58	12.27	10.50	8.52
PERCENT CHANGE	21.78	-6.88	-9.63	-14.45	-18.86
PRIVATE RESIDENTIAL	6.98	6.40	6.35	6.04	6.38
PERCENT CHANGE	-4.56	-8.30	-0.85	-4.94	5.62
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00
PRIVATE INVENTORY	-0.83	-0.02	0.05	0.03	0.03
PERCENT CHANGE	1791.33	-97.58	-350.00	-40.00	0.00
GOVERNMENT NONRESIDENTIAL	4.48	4.48	4.26	4.17	4.09
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00
COVERNMENT RESIDENTIAL	1.68	1.65	1.49	1.41	1.34
PERCENT CHANGE	- 21.56	-2.00	-10.00	-5.00	-5.00
GOVERNMENT CONSUMPTION	35.38	39.77	37.48	40.30	41.12
PERCENT CHANGE	-4.24	12.39		7.52	2.03
COMPONENTS OF GOVERNMENT CONS					
	12.84	13.22	12.23	12.23	12.23
PERCENT CHANGE	0.78	3.00	-7.50	0.00	0.00
TOTAL MILITARY	22.56	26.54	25.25	28.07	28.89
PERCENT CHANGE	-6.75	17.64	-4.87	11.17	2.92
FOREIGN MILLIARY	5.73	9.19	9.23	12.05	12.87
PERCENT CHANGE	-33.54	60.44	0.52	30.53	6.80
DOMESTIC MILLIARY	17.35	17.87	16.53	16.53	16.53
PERCENT CHANGE	6.94	3.00	-7.50	0.00	0.00
DETENSE SALES		0.51	0.51	0.51	0.51
PERCENT CHANGE	-20.31	0.00	0.00	0.00	0.00

54.12 5.32 88.51 9.30 56.53 4.46 90.72 2.50 58.27 3.08 95.83 5.63 61.14 4.92 99.60 3.94 51.38 2.24 80.98 5.65 PERCENT CHANGE IMPORTS PERCENT CHANGE PERCENT CHANGE
COMPONENTS OF IMPORTS
CIVILIAN IMPORTS
PERCENT CHANGE
SHIPS AND PLANES
PERCENT CHANGE
DIRECT DEFENSE IMPORTS
PERCENT CHANGE
IMPORTS TAXLS
PERCENT CHANGE
NET FACIOR IMPORTS
PERCENT CHANGE 69.94 3.42 0.41 -10.00 10.02 30.53 15.46 3.32 5.88 4.43 62.02 8.62 0.46 57.92 4.76 -35.66 13.74 15.80 65.79 6.07 0.51 10.00 7.63 60.44 14.58 6.11 5.44 -5.59 72.49 3.65 0.39 -5.00 10.70 6.80 16.02 3.59 5.82 -0.95 67.62 2.78 0.46 -10.00

COMPONENTS OF FOREIGN FRADE SECTOR

7.67 0.52 14.97 2.67 5.63 3.48 DSLI: SCEN3 MODEL ESSLP84F

COMFIDENTIAL

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ABLE TO MICHALS

ISRAEL MAIN ECONOMIC INDICATORS, 1983-1987

(BILLIONS OF 1980 SHEKELS)

,	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT PERCENT CHANGE GNP DEFLATOR PERCENT CHANGE CAPACITY UTILIZATION RATE UNEMPLOYMENT RATE	107.73 1.34 12.62 150.09 90.88 4.49	110.34 2.42 53.28 322.14 92.47 5.96	112.76 2.20 274.05 414.39 93.99 7.11	479.25	118.27 2.37 10236.51 544.84 98.19 9.22
COMPONENTS OF AGGREGATE DEMAND PRIVATE CONSUMPTION PERCENT CHANGE TOTAL INVESTMENT PERCENT CHANGE GOVERNMENT CONSUMPTION PERCENT CHANGE EXPORTS PERCENT CHANGE IMPORTS PERCENT CHANGE NET FACTOR IMPORTS	80.35 7.05 27.36 5.92 35.38 -4.24 51.38 2.24 80.98 5.65 5.76	83.80 4.30 26.60 -2.79 39.77 12.39 54.12 5.32 88.51 9.30 5.44	90.23 7.67 24.87 -6.51 37.48 -5.74 56.53 4.46 90.72 2.50 5.63	96.12 6.52 22.56 -9.30 40.30 7.52 58.27 3.08 95.83 5.63 5.88	100.70 4.77 20.74 -8.05 41.12 2.03 61.14 4.92 99.60 3.94 5.82

BALANCE OF PAYMENTS

(BILLIONS OF DOLLARS)

CIVILIAN GOODS AND SERVICES					
EXPORTS	9.95	10.68	11.71	12.66	14.34
OF WHICH: DIAMONDS	1.21	1.39	1.57	1.72	1,99
IMPORTS	13.96	15.22	16.42	17.73	19.66
OF WHICH: FUELS	1.61	1.63	1.66	1.68	1.80
DIAMONDS	0.85	0.98	1.12	1.22	1.42
INTEREST	2.16	2.22	2.42	2.63	2.89
CIVILIAN GOODS AND SERVICES					
DEFICIT	-4.01	-4.54	-4.71	-5.07	-5.32
	,,,,,		.,,,		
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
US FINANCED PAYMENTS	1.00	1.63	1.40	1.40	1.40
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74
DEBT REPAYMENT	0.97	1.25	1.45	1.70	1.82
TOTAL DEBT	23.12	25.99	28.35	31.02	34.12
FINANCIAL GAP	- 5.26	-6.42	- 6.93	-7.45	- 7.89
EXTERNAL FUND	3.24	5.68	6.24	6.79	7.36
OF WHICH US SSA	1.50	1.10	1.10	1.10	1.10
BALANCE	-0.47	-0.74	-0.70	-0.65	-0.53

DSET: SCEN3 MODEL ISSEP841

COMPROPRIENTIAL

DNALS

25X1

ISRAEL ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987
			(BILL	IONS OF 1980	SHEKELS)
*** GOVERNMENT VARIABLES DOMESTIC NONMILITARY EXPEND.	12.84	13.22	12.96	12.70	12.44
PERCENT CHANGE	0.78	3.00	-2.00		-2.00
DOMESTIC MILITARY EXPEND.	17.35	17.87	17.51		16.82
PERCENT CHANGE	6.94	3.00	-2.00	-2.00	-2.00
GOVE RESIDENTIAL INVEST.	1.68	1.65	1.49		1.34
PERCENT CHANGE	- 21.56	-2.00	-10.00		-5.00
GOVT NONRESIDENTIAL INVEST.	4.48	4.48	4.26		4.09
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00
			(BILL	IONS OF 1980	SHEKELS)
NET TRANSFERS TO PRIVATE SECT.	20.44	20.44	20.44	20.44	20.44
PERCENT CHANGE		0.00	0.00	0.00	0.00
NET CREDIT ABSORP. BY GOVT	-25.60	-20.00	-10.00	-5.00 -50.00	5.00
PERCENT CHANGE		- 21.89	-50.00		-200.00
PUBLIC SECTOR WAGES	22.24	23.13	24.06	25.02	26.02
PERCENT CHANGE		4.00	4.00	4.00	4.00
BOT CREDIT TO PRIVATE SECTOR	6.54	6.70	6.90	7.08 2.59	7.22
PERCENT CHANGE		2,42	2.99	2.59	1.92
*** IAX RAIES					(PERCENT)
DEFENSE IMPORT TAXES	0.20	0.20	0.20	0.20	0.20
INVENTORY SURTAX	-0.01	-0.29	0.12		0.19
BUSINESS INCOME TAX	0.06	0.06	0.06	0.06	0.06
DOMESTIC PROD. TAX (INCL. VAT)	0.19	0.19	0.19	0.19	0.19
IMPORT TAX	0.20	0.20	0.20	0.20	0.20
NATIONAL INSURANCE TAX	0.13	0.13	0.13	0,13	0.13
WAGE TAX	0.14	0.14	0.14		0.14
TAXES ON OTHER INCOME	0.13	0.13	0.13	0.13	0.13
WWW DALANGE OF DAVMENTS				(PERCE	IT CHANGE)
*** BALANCE OF PAYMENTS REAL GROWTH IN US AND EC	-2.18 -13.77 9.20	3.90	3.00	2.00	3.50
DOLLAR PRICE OF IMPORTS	-2 18	3.87	4.85		7.17
DOLLAR PRICE OF OIL	-13 77	0.00	0.00		5.20
WORLD INTEREST RATE	9.20	8.80	9.10	8.60	
EXCHANGE RATE (LEVEL)	56.21	228.46	1102.13	5979.89	35168.51
			(B	ILLIONS OF US	DOLLARS)
CODE ION DEDT DEDAYMENTS	0.97	1,25	1.45	1.70	1.82
FOREIGN DEBT REPAYMENTS DIRECT DEFENSE IMPORT PAYMENTS	1 27	2.26	2.18		2.14
DIRECT DEFENSE IMPORTS	1.27 1.03	1.76	1.85		2.89
NET FOREIGN BORROWING BY GOVT.	2.23	2.17	2.05		3.03
TOTAL GROSS CAP FLOW (NOT FMS)	3.24	5.68	6.24		
US ECONOMIC ASSISTANCE	1.50	1.10	1.10	1.10	1.10
US FMS	1.00	1.63	1.40	1.40	1.40

DSET: SCEN2 MODEL ISSEP84F

CONFIDENTIAL

SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING 9/17/84

ISRAEL DETAILED COMPONENTS OF REAL GNP

(BILLIONS OF 1980 SHEKELS)

			(DTLI.TON	13 01 1900	SHEREEST
	1983	1984	1985	1986	1987
PRIVATE CONSUMPTION	80.35	83.80	90.18	96.10	100.42
PERCENT CHANGE	7.05	4.30	7.62	6.56	4.50
TOTAL INVESTMENT	27.36	26.60	25,36	23.39	21.03
PERCENT CHANGE	5.92	-2.79	-4.67	-7.76	-10.11
COMPONENTS OF INVESTMENT	٦٠,١٤	2.17	4.07	1.10	10.11
PRIVATE NONRESIDENTIAL	14.58	13.58	12.76	11.02	8.81
PERCENT CHANGE	21.78	-6.88	-6.04	-13.63	-20.08
PRIVATE RESIDENTIAL .	6.98	6.40	6.35	6.35	6.37
PERCENT CHANGE	-4.56	-8.30	-0.82	-0.06	0.35
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00
PRIVATE INVENTORY	-0.83	-0.02	0.05	0.03	0.03
PERCENT CHANGE	1791.33	-97.58	-350.00	-40.00	0.00
PERCENT CHANGE GOVERNMENT NONRESIDENTIAL	4,48	4.48	4.26	4.17	4.09
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00
GOVERNMENT RESIDENTIAL	1.68	1.65	1.49	1.41	1.34
PERCENT CHANGE	-21.56	-2.00	-10.00	-5.00	- 5.00
PERCENT CHANGE	~21.70	-2.00	-10.00	-5.00	-5.00
GOVERNMENT CONSUMPTION	35.38	39.77	39.19	41.40	41.62
PERCENT CHANGE	-4.24	12.39	-1.44	5.64	0.54
COMPONENTS OF GOVERNMENT CONSU				,	0.,,
DOMESTIC NONMILITARY	12.84	13,22	12.96	12,70	12.44
PERCENT CHANGE	0.78	3.00	-2.00	-2.00	-2.00
TOTAL MILITARY	22.56	26.54	26.24	28.70	29.18
PERCENT CHANGE	-6.75	17.64	-1.17	9.41	1.66
FOREIGN MILITARY	5.73	9.19	9.23	12.05	12.87
PERCENT CHANGE	-33.54	60.44	0.52	30.53	6.80
DOMESTIC MILITARY	17.35	17.87	17.51	17.16	16.82
PERCENT CHANGE	6.94	3.00	-2.00	-2.00	-2.00
DEFENSE SALES	0.51	0.51	0.51	0.51	0.51
PERCENT CHANGE			0.00	0.00	0.00
PERCENT CHANGE	-20.31	0.00	0.00	0.00	0.00
COMPON	IENTS OF FORE	IGN TRADE	SECTOR		
EXPORTS	51.38	54.12	56.59	58.38	61.25
PERCENT CHANGE	2.24	5.32	4.57	3.16	4.93
IMPORTS	80.98	88.51	92.08	96.84	99.73
PERCENT CHANGE	5.65	9.30	4.03	5.18	2.98
COMPONENTS OF IMPORTS	,,	,	,,,,,	3	2.70
CIVILIAN IMPORTS	62.02	65.79	68.73	70.77	72,60
PERCENT CHANGE	8.62	6.07	4.48	2.96	2.58
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00
DIRECT DEFENSE IMPORTS	4.76	7.63	7.67	10.02	10.70
PERCENT CHANGE	-35.66	60.44	0.52	30.53	6.80
IMPORTS TAXES	13.74	14.58	15.21	15.65	16.04
PERCENT CHANGE	15.80	6.11	4.35	2.86	2.53
NET FACTOR IMPORTS	5.76	5.44	5.62	5.86	5.79
PERCENT CHANGE				2.86 4.25	-1.05
FERGENT CHANGE	12.23	- 5.59	3.23	4.20	-1.05
5.057 0.05110					

DSET: SCEN2 MODEL ISSEP84F

SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE STATE OF THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN DOMESTIC MILITARY AND NON-MILITARY SPENDING COMPANY IN THE SCENARIO 2: SLOW DECLINE IN THE SCENARIO 2: SLOW

ISRAEL MAIN ECONOMIC INDICATORS, 1983-1987

(BILLIONS	OF	1980	SHLKELS)
1985	1986		1987

	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT	107.73	110.34	113.63	116.57	118.81
PERCENT CHANGE	1.34	2.42	2,99	2.59	1.92
GNP DEFLATOR	12.62	53.28	269.49	1524.76	9610.24
PERCENT CHANGE	150.09	322.14	405.82	465.80	530.28
CAPACITY UTILIZATION RATE	90.88	92.47	94.72	96.77	98.47
UNEMPLOYMENT RATE	4.49	5.96	7.02	7.94	8.96
COMPONENTS OF AGGREGATE DEMAND					
PRIVATE CONSUMPTION	80.35	83.80	90.18	96.10	100,42
PERCENT CHANGE	7.05	4.30	7.62	6.56	4.50
TOTAL INVESIMENT	27.36	26.60	25.36	23.39	21.03
PERCENT CHANGE	5.92	-2.79	-4.67	- 7.76	-10.11
GOVERNMENT CONSUMPTION	35.38	39.77	39.19	41.40	41.62
PERCENT CHANGE	-4.24	12.39	-1.44	5.64	0.54
EXPORTS	51.38	54.12	56.59	58.38	61.25
PERCENT CHANGE	2.24	5.32	4.57	3.16	4.93
IMPORTS	80.98	88.51	92.08	96.84	99.73
PERCENT CHANGE	5.65	9.30	4.03	5.18	2.98
NET FACTOR IMPORTS	5.76	5.44	5.62	5.86	5.79

BALANCE OF PAYMENTS

(BILLIONS OF DOLLARS)

CIVILIAN GOODS AND SERVICES					
EXPORTS	9.95	10.68	11.73	12.70	14.39
OF WHICH: DIAMONDS	1.21	1.39	1.58	1.72	1.99
IMPORTS	13.96	15.22	16.64	17.90	19.68
OF WHICH: FUELS	1.61	1.63	1.67	1.69	1.81
DIAMONDS	0.85	0.98	1.12	1.22	1.42
INTEREST	2.16	2.22	2.42	2.63	2.89
CIVILIAN GOODS AND SERVICES					2.07
DEFICIT	-4.01	-4.54	-4.91	-5.21	-5.29
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
DEFENSE IMPORT PAYMENTS	1,27	2.26	2.18	2.07	2.14
US FINANCED PAYMENTS	1.00	1.63	1.40	1.40	1.40
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74
DEBT REPAYMENT	0.97	1.25	1.45	1.70	1.82
TOTAL DEBT	23.12	25.99	28.35	31.02	34.12
FINANCIAL GAP	-5.26	-6.42	-7.14	-7.58	-7.86
EXTERNAL FUND	3.24	5.68	6.24	6.79	7.36
OF WHICH US SSA	1.50	1.10	1.10	1.10	1.10
BALANCE	-0.47	-0.74	-0.90	-0.79	-0.50

DSET: SCEN2 MODEL ISSEP841

SCENARIO 1: DECLINE IN REAL WAGE IN 85, 86; CONSTANT IN 87 9/17/84

ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987
*** GOVERNMENT VARIABLES			(BILL	IONS OF 1980	SHEKELS)
*** GOVERNMENT VARIABLES DOMESTIC NONMILITARY EXPEND. PERCENT CHANGE	12.84	13.22	13.35	13,49	13.62
PERCENT CHANGE	0.78	3.00	1.00	1.00	1.00
DOMESTIC MILITARY EXPEND.	17.35 6.94 1.68 -21.56 4.48	17.87	18.23	18.41	18.59
PERCENT CHANGE GOVI RESIDENTIAL INVEST.	6.94	3.00	2.00	1.00	1.00
PERCENT CHANGE	1.08	1.65	1.49	1.41	1.34
GOVT NONRESIDENTIAL INVEST.	-21.JU	1 h	# 10.00 h 26	-5.00 h 17	-5.00
PERCENT CHANGE	8.01	0.00	-5.00	13.49 1.00 18.41 1.00 1.41 -5.00 4.17 -2.00	-2.00
			(BILL	IONS OF 1980	SHEKELS)
NET TRANSFERS TO PRIVATE SECT. PERCENT CHANCE NET CREDIT ABSORP. BY GOVT PERCENT CHANCE PUBLIC SECTOR WAGES PERCENT CHANGE BOI CREDIT TO PRIVATE SECTOR PERCENT CHANGE	20.44	20.44	20.44	20.44	20.44
PERCENT CHANGE		0.00	0.00	0.00	0.00
NET CREDIT ABSORP. BY GOVT	-25.6 0	-20.00	-10.00	-5.00	5.00
PERCENT CHANGE		-21.89	-50.00	- 50.00	-200.00
PUBLIC SECTOR WAGES	22.24	23.13	21.98	20.88	20.88
ROL CREDIT TO PRIVATE SECTOR	/ rl.	4.00	-5.00	-5.00	-0.00
PERCENT CHANGE	6.54	0.70	6.91	7.08	7.26
TEROEIT ON MOE		2.42	3.07		
*** TAX RATES					(PERCENT)
DEFENSE IMPORT TAXES INVENIORY SURTAX BUSINESS INCOME TAX	0.20	0.20	0.20	0.20	0.20
INVENTORY SURTAX	-0.01	-0.29	0.20	0.20	0.20
BUSINESS INCOME TAX DOMESTIC PROD. TAX (INCL. VAT) IMPORT TAX	0.06	0.06	0.06	0.06	0.06
DOMESTIC PROD. TAX (INCL. VAT)	0.19	0.19	0.19	0.19	0.19
IMPORT TAX	0.20	0.20	0.20	0.20	0.20
NATIONAL INSURANCE TAX	0.13 0.14	0.13	0.13	0.13	0.13
WAGE TAX TAXES ON OTHER INCOME	0.14	0.14	0.14	0.14	0.14
TAXES ON OTHER INCOME	0.13	0.19 0.20 0.13 0.14 0.13	0.13	0.20 0.19 0.06 0.19 0.20 0.13 0.14	0.13
*** BALANCE OF PAYMENTS				•	T CHANGE)
REAL GROWTH IN US AND EC		3.90	3.00	2.00	3 50
DOLLAR PRICE OF IMPORTS	-2.18	3.87	4.85	4.28	7.17
DOLLAR PRICE OF OIL	-13.77	0.00	0.00	0.00	5.20
WORLD INTEREST RATE	9.20	8.80	9.10	8.60	8.60
DOLLAR PRICE OF IMPORTS DOLLAR PRICE OF OIL WORLD INTEREST RATE EXCHANGE RATE (LEVEL)	56.21	228.46	937.11	2.00 4.28 0.00 8.60 4333.39	25120.64
				LIONS OF US	
FOREIGN DEBT REPAYMENTS DIRECT DEFENSE IMPORT PAYMENTS DIRECT DEFENSE IMPORTS NET FOREIGN BORROWING BY GOVI. TOTAL GROSS CAP FLOW (NOT FMS) US ECONOMIC ASSISTANCE US FMS	0.97	1.25	1.45	1.70	1 82
DIRECT DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
NET FOREIGN BORROWING BY GOVI.	2.23	2.17	2.05	2.72	3.03
TOTAL GROSS CAP FLOW (NOT FMS)	3.24	5.68	6.24	6.79	7.36
US FMS	1.50 1.00	1.10	1.10	1.10	1.10
05 1115	1.00	1.63	1.40	1.40	1.40
DOET, COENT					

DSET: SCEN1 MODEL ISSEP84F

SCENARIO 1: DECEINE IN REAL WAGE IN 85, 86; CONSTANT IN 87 9/17/84

TSRALL DETAILED COMPONENTS OF REAL GNP

(вин	IONS	OI	1980	SHEK

1983 1984 1985 1986 1987
PERCENT CHANGE 7.05 4.30 3.89 4.47 7.19 IOTAL INVESTMENT 27.36 26.60 27.25 25.80 22.17 PERCENT CHANGE 5.92 -2.79 2.44 -5.00 -14.36 COMPONENTS OF INVESTMENT PRIVATE NONRESIDENTIAL 14.58 13.58 14.44 13.02 9.45 PERCENT CHANGE 21.78 -6.88 6.33 -9.82 -27.45 PRIVATE RESIDENTIAL 6.98 6.40 6.56 6.85 6.88 PERCENT CHANGE -4.56 -8.30 2.51 4.28 0.45 SHIPS AND PLANES 0.46 0.51 0.46 0.41 0.39 PERCENT CHANGE 57.92 10.00 -10.00 -10.00 -5.00 PRIVATE INVENTIORY -0.83 -0.02 0.05 0.03 0.03 PERCENT CHANGE 1791.33 -97.58 -350.00 -40.00 0.00 GOVERNMENT CHANGE 8.01 0.00 -5.00 -2.00 -2.00 GOVERNMENT CHANGE 8.01 0.00 -5.00 -2.00 -2.00 GOVERNMENT CHANGE -21.56 -2.00 -10.00 -5.00 -2.00 GOVERNMENT CHANGE -21.56 -2.00 -10.00 -5.00 -5.00 GOVERNMENT CONSUMPTION 35.38 39.77 40.30 43.44 44.58 PERCENT CHANGE -4.24 12.39 1.35 7.78 2.62 COMPONENTS OF GOVERNMENT CONSUMPTION DOMESTIC NORMILITARY 12.84 13.22 13.35 13.49 13.62 PERCENT CHANGE -6.75 17.64 1.53 11.14 3.35 FOREIGN CHANGE -33.54 60.46 1.55 1.99 1.31 1.90 TOTAL MILITARY 22.56 26.54 26.95 29.95 30.96 PERCENT CHANGE -33.54 60.44 1.52 13.35 13.49 13.62 PERCENT CHANGE -6.75 17.64 1.53 11.14 3.35 FOREIGN MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE -33.54 60.44 1.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE -33.54 60.44 0.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE -33.54 60.44 0.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE -30.51 0.51 0.51 0.51 0.51 0.51 0.51 0.51
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GOVERNMENT CONSUMPTION 35.38 39.77 40.30 43.44 44.58 PERCENT CHANGE -4.24 12.39 1.35 7.78 2.62 COMPONENTS OF GOVERNMENT CONSUMPTION DOMESTIC NONMILITARY 12.84 13.22 13.35 13.49 13.62 PERCENT CHANGE 0.78 3.00 1.00 1.00 1.00 1.00 TOTAL MILITARY 22.56 26.54 26.95 29.95 30.96 PERCENT CHANGE -6.75 17.64 1.53 11.14 3.35 FOREIGN MILITARY 5.73 9.19 9.23 12.05 12.87 PERCENT CHANGE -33.54 60.44 0.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE 6.94 3.00 2.00 1.00 1.00 DEFENSE SALES 0.51 0.51 0.51 0.51 0.51 PERCENT CHANGE -20.31 0.00 0.00 0.00 0.00 COMPONENTS OF FOREIGN TRADE SECTOR
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COMPONENTS OF GOVERNMENT CONSUMPTION DOMESTIC NONMILITARY 12.84 13.22 13.35 13.49 13.62 PERCENT CHANGE 0.78 3.00 1.00 1.00 1.00 TOTAL MILITARY 22.56 26.54 26.95 29.95 30.96 PERCENT CHANGE -6.75 17.64 1.53 11.14 3.35 FOREIGN MILITARY 5.73 9.19 9.23 12.05 12.87 PERCENT CHANGE -33.54 60.44 0.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE 6.94 3.00 2.00 1.00 1.00 DEFENSE SALES 0.51 0.51 0.51 0.51 0.51 PERCENT CHANGE -20.31 0.00 0.00 0.00 COMPONENTS OF FOREIGN TRADE SECTOR EXPORTS 51.38 54.12 56.87 58.76 61.56
COMPONENTS OF GOVERNMENT CONSUMPTION
PERCENT CHANGE 0.78 3.00 1.00 1.00 1.00 TOTAL MILITARY 22.56 26.54 26.99 29.95 30.96 PERCENT CHANGE -6.75 17.64 1.53 11.14 3.35 FOREIGN MILITARY 5.73 9.19 9.23 12.05 12.87 PERCENT CHANGE -33.54 60.44 0.52 30.53 6.80 DOMESTIC MILITARY 17.35 17.87 18.23 18.41 18.59 PERCENT CHANGE 6.94 3.00 2.00 1.00 1.00 DEFENSE SALES 0.51 0.51 0.51 0.51 PERCENT CHANGE -20.31 0.00 0.00 0.00 0.00 COMPONENTS OF FOREIGN TRADE SECTOR EXPORTS 51.38 54.12 56.87 58.76 61.56
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DEFENSE SALES 0.51 0.51 0.51 0.51 0.51 PERCENT CHANGE -20.31 0.00 0.00 0.00 0.00 0.00 0.00 0.00
COMPONENTS OF FOREIGN TRADE SECTOR EXPORTS 51.38 54.12 56.87 58.76 61.56
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EXPORTS 51.38 54.12 56.87 58.76 61.56
EXPORTS 51.38 54.12 56.87 58.76 61.56
PERCENT CHANGE 2.24 5.32 5.09 3.33 4.75
IMPORTS 80.98 88.51 92.29 96.74 100.57
PERCENT CHANGE 5.65 9.30 4.27 4.82 3.96
COMPONENTS OF IMPORTS
CIVILIAN IMPORTS 62.02 65.79 68.91 70.68 73.29
PERCENT CHANGE 8.62 6.07 4.74 2.58 3.69
SHIPS AND PLANES 0.46 0.51 0.46 0.41 0.39 PERCENT CHANGE 57.92 10.00 -10.00 -5.00
PERCENT CHANGE 57.92 10.00 -10.00 -5.00
DIRECT DEFENSE IMPORTS 4.76 7.63 7.67 10.02 10.70
PERCENT CHANGE -35.66 60.44 0.52 30.53 6.80
- IMPORTS TAXES 13.74 14.58 15.25 15.63 16.19
PERCENT CHANGE 15.80 6.11 4.61 2.48 3.63
NET FACTOR IMPORTS 5.76 5.44 5.47 5.69 5.73
PERCENT CHANGE 12.23 -5.59 0.61 3.93 0.64

DSET: SCENT MODEL ISSEP841

SCENARIO 1: DECLINE IN REAL WAGE IN 85, 86; CONSTANT IN 87 9/17/84

ISRAEL MAIN ECONOMIC INDICATORS, 1983-1987

			(BILLION	NS OF 1980	SHEKELS)
	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT PERCENT CHANGE	107.73	110.34	113.72	116.61	
GNP DEFLATOR	12.62	53.28	3.07 229.14	2.54 1104.93	2.47 6864.55
PERCENT CHANGE CAPACITY UTILIZATION RATE			330.08 94.79	382.21 96.54	
UNEMPLOYMENT RATE	4.49	5.96	7.02	7.93	8.88
COMPONENTS OF AGGREGATE DEMAND					
PRIVATE CONSUMPTION	80.35	83.80	87.06	90.95	97.49
PERCENT CHANGE	7.05	4.30	3.89	4.47	7.19
TOTAL INVESTMENT	27.36	26.60	27.25	25.89	22.17
PERCENT CHANGE	5.92	- 2.79	2.44	-5.00	-14.36
GOVERNMENT CONSUMPTION	35.38	39.77	40.30	43.44	44.58
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62
EXPORTS	51.38	54.12	56.87	58.76	61.56
PERCENT CHANGE	2.24	5.32	5.09	3.33	4.75
IMPORTS	80.98	88.51	92.29	96.74	100.57
PERCENT CHANGE	5.65	9.30	4.27	4.82	3.96
NET FACTOR IMPORTS	5.76	5.44	5.47	5.69	5.73

BALANCE OF PAYMENTS

			(81	LLIONS OF	S OF DOLLARS)			
CIVILIAN GOODS AND SERVICES EXPORTS OF WHICH: DIAMONDS IMPORTS OF WHICH: FUELS DIAMONDS INTEREST CIVILIAN GOODS AND SERVICES DEFICIT	9.95	10.68	11.97	12.98	14.52			
	1.21	1.39	1.59	1.74	1.99			
	13.96	15.22	16.68	17.89	19.84			
	1.61	1.63	1.67	1.69	1.81			
	0.85	0.98	1.13	1.24	1.43			
	2.16	2.22	2.42	2.63	2.89			
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89			
DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14			
US FINANCED PAYMENTS	1.00	1.63	1.40	1.40	1.40			
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74			
DEBT REPAYMENT TOTAL DEBT FINANCIAL GAP EXTERNAL FUND OF WHICH US SSA BALANCE	0.97 23.12 -5.26 3.24 1.50 -0.47	1.25 25.99 -6.42 5.68 1.10	1.45 28.35 -6.94 6.24 1.10	1.70 31.02 -7.28 6.79 1.10	1.82 34.12 -7.89 7.36 1.10			

DSET: SCENT MODEL ISSEP84F

Commential

BASELINE: CURRENT ECONOMIC TRENDS 9/17/84

ISRAEL ASSUMED VALUES FOR EXOGENOUS VARIABLES

	1983	1984	1985	1986	1987		
*** GOVERNMENT VARIABLES			(BILLIONS OF 1980 SHEKELS				
DOMESTIC NONMILITARY EXPEND.	12.84	13.22	13.35	13.49	13.62		
PERCENT CHANGE	0.78	3.00	1.00	1.00	1.00		
DOMESTIC MILITARY EXPEND.	17.35	17.87	18.23	18.41	18.59		
PERCENT CHANGE GOVT RESIDENTIAL INVEST.	6.94	3.00	2.00	1.00	1.00		
PERCENI CHANGE	1.68 - 21.56	1.65 - 2.00	1.49 -10.00	1.41 -5.00	1.34 -5.00		
GOVI NONRESIDENTIAL INVEST.	4.48	4.48	4.26	4.17	4.09		
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00		
			(BILL	LIONS OF 198	O SHEKELS)		
NET TRANSFERS TO PRIVATE SECT.	20.44	20.44	20.44	20.44	20.44		
PERCENT CHANGE		0.00	0.00	0.00	0.00		
	-25.60	-20.00	-10.00	-5.00	5.00		
PERCENT CHANGE PUBLIC SECTOR WAGES	22.24	-21.89 23.13	-50.00 24.06	-50.00 25.02	-200.00 26.02		
PERCENT CHANGE	22,24	4.00	4.00		4.00		
BOI CREDIT TO PRIVATE SECTOR	6.54		6.94	7.16	7.34		
PERCENT CHANGE		2.42	3.50	3.25	2.47		
*** TAX RATES					(PERCENT)		
DEFENSE IMPORT TAXES	0.20	0.20	0.20	0.20	0.20		
INVENTORY SURTAX	-0.01	-0.29	0.12	0.20	0.20		
BUSINESS INCOME TAX	0.06	0.06	0.06	0.06	0.06		
DOMESTIC PROD. TAX (INCL. VAT)	0.19	0.19	0.19	0.19	0.19		
IMPORT TAX NATIONAL INSURANCE TAX	0.20 0.13	0.20 0.13	0.20	0.20 0.13	0.20 0.13		
WAGE TAX	0.13	0.13	0.13	0.13	0.13		
TAXES ON OTHER INCOME	0.13	0.13	0.13	0.13	0.13		
*** BALANCE OF PAYMENTS				(PERCENT CHANGE)			
REAL GROWTH IN US AND EC		3.90	3.00	2,00	3.50		
DOLLAR PRICE OF IMPORTS	-2.18	3.87	4.85	4.28	7.17		
DOLLAR PRICE OF OIL	-13.77		0.00	0.00	5.20		
WORLD INTEREST RATE	9.20	8.80	9.10	8.60	8.60		
EXCHANGE RATE (LEVEL)	56.21	228.46	1089.92	5758.87	32271.60		
			(BILLIONS OF US DOLLARS)				
FOREIGN DUBT REPAYMENTS	0.97	1.25	1.45	1.70	1.82		
DIRECT DEFENSE IMPORT PAYMENTS	1.2/	2.26	2.18	2.07	2.14		
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85		2.89		
NET FOREIGN BORROWING BY GOVI. TOTAL GROSS CAP FLOW (NOT FMS)	2.23 3.24	2.17 5.68	2.05 6.24	2.72 6.79	3.03 7.36		
US ECONOMIC ASSISTANCE	1.50	1.10	1.10	1.10	1.10		
US FMS	1.00	1.63	1.40	1.40	1.40		

DSET: BASE3 MODEL ISSEP84F

BASELINE: CURRENT ECONOMIC TRENDS 9/17/84

ISRAEL DETAILED COMPONENTS OF REAL CNP

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			(BILLIONS	OF 1980	SHEKELS)		
	1983	1984	1985	1986	1987		
PRIVATE CONSUMPTION	80.34	83.80	90.15	96.07	100.14		
PERCENT CHANGE	7.05	4.30	7.58	6.56	4.24		
TOTAL INVESTMENT	27.36	26.60	25.68	24.29	22.37		
PERCENT CHANGE	5.92	-2.79	-3.48	-5.39			
COMPONENTS OF INVESTMENT		,	3.40	2.37	1.73		
PRIVATE NONRESIDENTIAL	14.58	13.58	13.07	11.72	9.92		
PERCENT CHANGE	21.78	-6.88	-3.71	-10.36	-15.38		
PRIVATE RESIDENTIAL .	6.98	6.40	6.35	6.55	6.60		
PERCENT CHANGE	-4.56	-8.30	-0.80	3.06	0.79		
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39		
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00		
PRIVATE INVENTORY	-0.83	-0.02	0.06	0.03	0.03		
PERCENT CHANGE GOVERNMENT NONRESIDENTIAL	1791.33	- 97.58	-350.00	-40.00	0.00		
GOVERNMENT NONRESIDENTIAL	4.48	4.48	4.26	4.17	4.09		
PERCENT CHANGE	8.01	0.00	-5.00	-2.00	-2.00		
GOVERNMENT RESIDENTIAL	1.68	1.65	1.49	1.41	1.34		
PERCENT CHANGE	-21.56	-2.00	-10.00	-5.00	-5.00		
GOVERNMENT CONSUMPTION	35.38		40.30	43.44	44.58		
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62		
COMPONENTS OF GOVERNMENT CONSUM							
DOMESTIC NONMILITARY	12.84	13.22	13.35	13.49	13.62		
PERCENT CHANGE TOTAL MILITARY	0.78	3.00	1.00	1.00	1.00		
PERCENT CHANGE	22.56	26.54	26.95	29.95	30.96		
FOREIGN MILITARY	-6.75	17.64	1.53	11.14	3.35		
PERCENT CHANGE	2.13	9.19	9.23	12.05	12.87		
DOMESTIC MILITARY	-33.54	60.44	0.52	30.53	6.80		
PERCENT CHANGE	17.35	17.87	18.23	18.41	18.59		
DEFINSE SALES	6.94	3.00	2.00	1.00	1.00		
PERCENT CHANGE	0.51	0.51	0.51	0.51	0.51		
	-20.31	0.00	0.00	0.00	0.00		
COMPONENTS OF FOREIGN TRADE SECTOR							
EXPORTS	51.38	54.12	56.63	58.49	61.48		
PERCENT CHANGE	2.24	5.32	4.65	3.29	5.11		
IMPORTS	80.98	88.51	92.96	98.56	102.00		
PERCENT CHANGE	5.65	9.30	5.03	6.02	3.49		
COMPONENTS OF IMPORTS			3.00	0.02	3.47		
CIVILIAN IMPORTS	62.02	65.79	69.46	72,17	74.46		
PERCENT CHANGE	8.62	6.07	5.58	3.91	3,17		
SHIPS AND PLANES	0.46	0.51	0.46	0.41	0.39		
PERCENT CHANGE	57.92	10.00	-10.00	-10.00	-5.00		
DIRECT DEFENSE IMPORTS	4.76	7.63	7.67	10.02	10.70		
PERCENT CHANGE	-35.66	60.44	0.52	30.53	6.80		
IMPORTS TAXES	13.74	14.58	15.37	15.95	16.45		
PERCENT CHANGE	15.80	6.11	5.44	3.80	3,11		
NET FACTOR IMPORTS	5.76	5.44	5.61	5.83	5.74		
PERCENT CHANGE	12.23	- 5.59	3.07	3.96	-1.55		
DOLE DAGES							

DSET: BASE3 MODEL ISSEP841

BASELINE: CURRENT ECONOMIC TRENDS 9/17/84

ISRAEL
MAIN ECONOMIC INDICATORS, 1983-1987

(BILLIONS OF 1980 SHEKELS)

	1983	1984	1985	1986	1987
GROSS NATIONAL PRODUCT	107.73	110.34	114.19	117.90	120.82
PERCENT CHANGE	1.34	2.42	3.50	3.25	2.47
GNP DEFLATOR	12.62	53.28	266.50	1468.40	8818.63
PERCENT CHANGE	150.09	322.13	400.22	450.99	500.56
CAPACITY UTILIZATION RATE			95.19		99.98
UNEMPLOYMENT RATE	4.49	5.96	6.97	7.73	8.53
COMPONENTS OF AGGREGATE DEMAND PRIVATE CONSUMPTION PERCENT CHANGE	80.34 7.05	83.80 4.30	90.15 7.58	96.07 6.56	100.14 4.24
TOTAL INVESTMENT	27.36	26.60	25.68		
PERCENT CHANGE	5.92	-2.79	-3.48	-5.39	-7.93
GOVERNMENT CONSUMPTION	35.38	39.77	40.30	43.44	44.58
PERCENT CHANGE	-4.24	12.39	1.35	7.78	2.62
EXPORTS	51.38	54.12	56.63	58.49	61.48
PERCENT CHANGE	2.24	5.32		3.29	5.11
IMPORTS	80.98	88.51	92.96	98.56	102.00
PERCENT CHANGE		9.30	5.03		3.49
NET FACTOR IMPORTS	5.76	5.44	5.61	5.83	5.74

BALANCE OF PAYMENTS

(BILLIONS OF DOLLARS)

CIVILIAN GOODS AND SERVICES					
EXPORTS	9.95	10.68	11.75	12.74	14.49
OF WHICH: DIAMONDS	1.21	1.39	1.58	1.72	1.99
IMPORTS	13.96	15,22	16.79	18.20	20.11
OF WHICH: FULLS	1.61	1.63	1.67	1.71	1.83
DIAMONDS	0.85	0.98	1,12	1.23	1.43
INTEREST	2.16	2.22	2.42	2.63	2.89
CIVILIAN GOODS AND SERVICES					
DEFICIT	-4.01	-4.54	- 5.05	-5.46	-5.62
DIRECT DEFENSE IMPORTS	1.03	1.76	1.85	2.52	2.89
DEFENSE IMPORT PAYMENTS	1.27	2.26	2.18	2.07	2.14
US FINANCED PAYMENTS	1,00	1.63	1.40	1.40	1.40
NON-US FINANCED IMPORTS	0.27	0.63	0.78	0.68	0.74
DEBT REPAYMENT	0.97	1.25	1.45	1.70	1.82
TOTAL DEBT	23.12	25.99	28.35	31.02	34.12
FINANCIAL GAP	- 5.26	-6.42	- 7.27	-7.84	-8.18
EXTERNAL FUND	3.24	5.68	6.24	6.79	7.36
OF WHICH US SSA	1.50	1,10	1.10	1.10	1.10
BALANCE	-0.47	-0.74	-1.04	-1.04	-0.82

DSET: BASE3 MODEL ISSEP84F